



Submission to the Productivity Commission
Inquiry in to Paid Maternity, Paternity and
Parental Leave



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

1. What ought to be the objectives of a paid parental leave scheme?

YWCA has identified four objectives of a paid parental leave (PPL) scheme:

- a) Achieving maternal welfare outcomes: ensuring that the birth mother is able to prepare for and recover from birth for the required length of time.
- 10 b) Achieving child welfare outcomes: primarily conceptualised as enabling, all things being equal, that the child/children (in the case of multiple births) can be breastfed for a minimum of six months, the length of time recommended by the World Health Organisation (WHO).
- 15 c) Achieving family welfare outcomes: these include, maximising the participation of both parents (in a two-parent family structure) in the early childhood years; building stronger families; enabling men to be more actively engaged in the lives of their children; creating a more equitable split of caring responsibilities between women and men (in heterosexual families). We recognise that the format of the family unit may differ according to situation and embrace a broad definition of primary care givers to reflect the diverse forms of family structures which exist in Australia. Particularly we recognise the important role of grandparents in some families and that some families have two dads, two mums or a mum and dad.
- 20 d) Achieving economic and social outcomes: Economic benefits include facilitation of workforce attachment for care givers; providing appropriate and effective transition structures for care givers re-attaching to the workforce; reducing the gender wage gap through mechanisms to support women's increased productive labour and re-valuation of caring labour in the home; and reducing the incidence of women living in poverty (achieved through the remuneration of care in the home through a PPL, re-valuation of care in the productive economy – women continue to be over-represented in paid caring labour, and through enabling greater lifetime workforce attachment). Social benefits include stronger family units which contribute to greater social connection among individuals and communities.
- 25

2. What are the implications of these objectives for the design of the scheme?

The YWCA proposes that these objectives be translated into a PPL scheme which has the following components:

- a) Each family unit can access a non-vesting entitlement to nine months of PPL, comprised of the following:
 - 35 i. A taxpayer-funded component to provide for PPL to the minimum wage
 - ii. A mandated employer contribution to provide to 75-80% of income replacement levels, to be provisioned for on an employer-by-employer basis (as per long service leave provisioning)
 - iii. A voluntary, employer contribution to provide full income replacement level, to be provisioned for an employer-by-employer basis.
 - 40
- b) A PPL scheme is to be implemented in a flexible manner. For example:
 - i. PPL should be able to be taken either full-time for nine months or at a fractional rate for a longer period, up to a maximum of 18 months



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

- ii. PPL should be able to be accessed over a 2-year period, enabling carers to assume different roles at different stages of childhood development
- iii. PPL should be able to be taken concurrently within the family unit, enabling primary care to be provided by more than one carer at any given time
- iv. PPL should respond to diverse family structures – primary care may be provided at various times by other family members – grandparents, aunts or uncles.

- c) Provision should be made for both paid maternity and paid parental leave:
 - i. A period of paid maternity leave – to achieve the maternal welfare objectives. YWCA advises that medical advice be sought on the minimum period of paid maternity leave
 - ii. A period of paid parental leave – to achieve the child, family, social and economic welfare objectives. This period would be the balance of the nine month period once the paid maternity leave had been subtracted.

We note that during the course of our preparations of this submission we have struggled with the terminology around this form of leave. In the end we developed the idea of 'newborn family leave' as it enables us to reflect the four different objectives we wish to see implemented in a PPL scheme. Nonetheless, we recognise that the terminology for this inquiry is PPL and to that end we refer to both PPL and newborn family leave.

Our proposed model also draws from the findings of an on-line survey, conducted during May 2008 in support of this submission. Over 460 individuals responded during a three week period.

Significant findings included:

- a) 90.9% of respondents supported a PPL scheme that provided leave for women and men
- b) 65.6% of respondents supported a PPL scheme funded by a combination of two or more of government contributions, employer contributions, personal contributions and insurance schemes
- c) 28.3% of respondents supported a PPL scheme solely funded by government contributions
- d) 46.8% of respondents supported a PPL scheme being available to all employees, including casual employees
- e) 67.1% of respondents thought that PPL should be available to women for 26 weeks or more
- f) 35.9% of respondents thought that PPL should be available to men for 26 weeks or more
- g) 51.9% of respondents thought that PPL should be paid at full wage replacement levels and 38.6% of respondents thought it should be paid at a percentage of the wage
- h) 57.4% of respondents thought that employers should have to make an additional contribution to any government-funded scheme

Further feedback from the survey is provided in appendices to the report.

Finally, the four objectives that inform our model for PPL enable the Australian Government to realise a range of international human rights and labour law obligations. There are a range of relevant UN and ILO Conventions:

- the United Nations [UN] *Convention on the Elimination of All forms of Discrimination Against Women* [CEDAW]
- the *International Covenant on Economic, Social and Cultural Rights* [ICESCR]



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

- 90
- the *International Covenant on Civil and Political Rights* [ICCPR]
 - the International Labour Organisation [ILO] Convention 156, the *Convention Concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities*, which is most often referred to in its abbreviated form, the *Workers with Family Responsibilities Convention* and
- 95
- ILO Convention 183, the *Maternity Leave Convention*, and Recommendation 191, which establishes an 18 week minimum standard.

Australia has not ratified the ILO Maternity Leave Convention and has entered a reservation to the CEDAW obligation to implement paid maternity leave (and therefore is not required to implement it).¹ Adoption of a PPL would enable Australia to remove its CEDAW reservation and ratify the ILO Maternity Leave Convention.

100

3. In assessing different schemes that have different effectiveness in achieving such multiple objectives, what weight should be given to each of the various objectives? How should the various objectives be traded-off against one another if they conflict?

105 Each of the objectives related to maternal, child and family welfare are intrinsic to enabling children to receive the optimal care in their early years and to facilitating the workforce attachment of parents or those defined by the family as providing primary care. In the view of the YWCA a nine-month PPL scheme enables these three components to be equally realised. Schemes of less than nine-months duration begin to create a tension between, most particularly, the child welfare and family welfare

110 objectives. This is especially the case where mothers are able to breastfeed and do so for the six-months minimum recommended by the WHO. Where these objectives are in conflict there are a range of other measures (for example, on-site childcare, implementation of international legal obligations pertaining to breastfeeding breaks and breastfeeding rooms) which can be taken in order to diminish the tensions between child welfare and family welfare objectives.

115 **4. For each objective, can you foresee any possible unintended consequences from the introduction of a paid parental leave scheme?**

A PPL scheme which relies, at least in part, on mandatory employer contributions may deepen existing levels of discrimination against parents or those perceived as likely to become parents.

5. What could be done to avoid or reduce the impact of any unintended consequences?

120 There are a number of steps that can be taken to avoid or ameliorate the impact of any unintended consequences.

The key mechanism would be to ensure that the provision of paid maternity and parental leave is government funded. This would reduce the likelihood of employers discriminating against women and men with actual or perceived caring responsibilities.

125 As a fall back, a tripartite scheme with a minimum period of leave funded by the government, a mandated employer contribution to up to 75-80% of current income replacement, and a voluntary

¹ For an overview of the obligations which attach to the treaties, please see Appendix A.



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

contributions scheme for full current income replacement, would diminish the likelihood of discriminatory treatment.

130 This position would be strengthened by amendments to the Sex Discrimination Act (Cth) to strengthen the provisions on family care responsibilities, particularly to extend them beyond dismissal rights. It may also be timely to consider how the current anti-discrimination framework affords protection to men who take newborn family leave.

135 A central strategy would be a clear and effective education campaign for employers and employees in relation to the interaction of any new PPL scheme and existing and/or revised anti-discrimination frameworks, to ensure that perverse impacts associated with discrimination would be reduced.

140 At a very broad level the government has a responsibility, at international human rights law, to educate the community and to challenge cultural issues which contribute to discrimination against women. In this context, the ongoing cultural assumptions around women and men's capacity to provide care giving, should be challenged; as well as the economic value assigned to caring labour, whether conducted unpaid in the family or paid in the productive labour force.

Additionally, an education campaign which counteracts a purely cost-based analysis of PPL, acknowledging the benefits and business case of providing PPL, would be an important element in counteracting discriminatory employer and employee attitudes. There is a need to debunk some of the myths surrounding PPL. The reality is:

- 145 a) Women, including those of child bearing age, are a significant proportion of the productive labour force. Through education and skills training we have invested significantly in these individuals and they make a valuable contribution to the economy; all possible steps should be taken to enable them to combine productive and reproductive work. Likewise, men with the potential to be parents are a significant proportion of the productive labour force; all possible steps should be taken to enable them to combine productive and reproductive work.
- 150 b) Families will continue to, and should be encouraged to, invest in the future of this country by reproducing the productive labour force, and nurturing these children through to adulthood.
- c) To maximise the productive labour force of Australia we need to fully engage workers with family responsibilities. In our view the costs of PPL are a cost of business.
- 155 d) In our experience, economic modelling on the costs of PPL tends only to focus on direct input costs and does not provide adequate modelling on the cost benefits of employees returning to the productive labour force. For example, there are significant costs associated with an employee leaving an organisation at the birth of a child: costs of recruitment, training, organisational disruption, and knowledge loss.
- 160 e) In our experience, current economic modeling over estimates the costs of a PPL liability. While businesses may have 'bad years', they are more likely to have years where exposure is under realised.

6. What type of eligibility tests should be established? Who should be eligible?

165 The YWCA supports PPL being available for all employees, whether in casual, part-time, or full-time employment. A majority of young people, and a high percentage of women in all age groups, work in predominantly casual or part-time positions. The YWCA supports workplace models, legislation and



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

incentives which encourage businesses to employ staff on a permanent basis to increase workers' protection, rights and entitlements.

7. Should the eligibility test be designed to encourage ongoing workforce attachment? How could this be done?

Generally, a system that encourages ongoing workforce attachment is something that should be encouraged. However, there is a need to enable flexibility to respond to particular circumstances. In some instances, it may be mutually beneficial for workforce attachment with a particular employer to not be a feature of a scheme.

8. Should other prime carers, such as grandparents, foster and adoptive parents, also be covered?

The YWCA model is predicated on two specific entitlements: a period of paid maternity leave to achieve maternal welfare objectives and paid parental leave to enable child, family, social and economic welfare benefits to be realised.

We recognise that family situations differ widely. PPL should be available to those people providing primary care to newborns and toddlers. In families with two parents, the family unit may define both parents as primary care givers at certain times. In other families, grandparents, adoptive parents, aunts/uncles may also be understood by the family to be primary care givers. It is essential that a PPL scheme is constructed in a flexible manner to respond to the diversity of family structures present in Australia.

We have not included foster carers in our response as matters pertaining to foster care extend beyond the parameters of our expertise. This is not to say that they should be excluded from a scheme simply that we do not feel we can make a recommendation on this matter.

9. Should any support of a similar nature be extended to non-working parents?

The YWCA recognises that PPL is a leave entitlement accruing to employees. Parental leave is primarily a scheme that is related to workforce attachment, and recognises the period where staff are unable to fulfil their roles as employees due to the important role of caring for a child/children.

However, the YWCA also recognises that all parents should be valued for the work they do as parents. We do not think that the decision to become a parent should result in poverty for individuals and families.

In our view, the amount of money provided through the government-funded, minimum wage component of PPL, should also form the comparative basis for payments through the social welfare system, for those parents who are not workforce attached. Special attention should also be focused on ensuring that training opportunities for those parents resuming workforce attachment, or in some instances, creating a workforce attachment for the first time, are flexible enough to respond to care giving responsibilities.



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

10. Should all employees be covered and if not, why not?

The YWCA maintains that all employees should be covered by a universal paid parental scheme. The issue of casual staff does create difficulties but it is suggested that they be covered by the safety net wage, with the option of employers covering these staff if it is operationally appropriate or feasible.

11. Should there be a qualifying period — a minimum time spent in the workforce — before an employee becomes eligible for paid leave? If so, how long should that period be? Why? Should there be an eligibility period based on time with the employee's current employer?

In relation to the safety net arrangement, all employees, if they are engaged in work should be eligible for paid parental leave.

In relation to mandated employer contributions, it is appropriate to allow employers to impose eligibility tests, particularly when considering the cost impost for particular organisations. However, our experience as an employer offering PPL has taught us that babies often arrive when least expected. YWCAs across the country have different models: some have tiered access dependant on the period of employment (ie, pro-rata access after 12 months, with full access after two years employment); others provide for full access to entitlements after 12 months. No YWCA provides for a PPL entitlement within the first twelve months.

If a scheme were to be put forward where mandated employer contributions were to be pooled into a PPL fund, predicated on a payroll tax, it would be inappropriate for employer-specific qualifying periods to be established. A more general workforce attachment qualifying period might be established, but this should be no greater than 12 months.

12. Should the rate of payment be linked to the employee's wage (either current or an average wage over a recent period)? If not, what basis should be used for the parental leave payment?

The YWCA advocates for a model that achieves 75-80% of current wage replacement for all employees over a nine-month period, through a taxpayer funded contribution and a mandated employer contribution. In addition our model calls on employers to provide full current wage replacement, though this is not a mandatory provision. This model is within the realm of best practice PPL schemes provided by our OECD peers.

13. How long should a parent receive paid parental leave for? Why? What benefits would arise from longer or shorter periods of paid leave?

Using the four objectives identified by the YWCA PPL (which includes the period of mandatory PML and balance of the period for PPL) should be made available for nine months.

This period of time enables family units to achieve the maternal, child and family welfare objectives and also contributes to the achievement of the broader social and economic welfare objectives.



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

In particular, a nine-month period of PPL for each family unit facilitates exclusive breast feeding for those mothers able to breastfeed and provides the opportunity for both parents (where there is a two-parent family) to take significant periods of leave from work during their child/ren's first two years, thus facilitating the bonding between parents and child/children.

Lack of breastfeeding – and especially lack of exclusive breastfeeding during the first half-year of life – are important risk factors for infant and childhood morbidity and mortality. The life-long impact includes poor school performance, reduced productivity, and impaired intellectual and social development.²

YWCA conducted an online survey during May 2008 to provide our members and supporters with an opportunity to contribute to our submission. Over 460 responses were received. A majority of respondents believe that paid maternity leave should be offered at 26 weeks (40.6%). The second most favoured response was that paid maternity leave should be offered for more than 26 weeks (26.5%). Regarding paid paternity leave, a majority of respondents believe it should be available for less than 14 weeks (28.8%). The second most favoured response was 26 weeks (21.6%). Our proposal for 9 months PPL reflects the majority view of the survey participants that a combined leave period of greater than six months and less than twelve months should be available for carers of newborns.

14. Should each parent have a separate entitlement for leave, or should there be an amount of leave to be shared between the parents? If the leave were to be shared, should there be an amount that is reserved for exclusive use by either parent?

In general, our model supports the availability of nine months PPL for the family unit. This may be taken concurrently, at a full-time or pro rata realisation, and over a two-year period.

Our first objective (maternal welfare) gives rise to a model in which there is a designated period of time set aside exclusively for the birth mother, to enable her to recover from the birth of the child/ren. We do not have the medical expertise to determine the length of this period of leave.

Our third objective (family welfare) gives rise to a model in which the balance of the nine month PPL entitlement should be available for both parents (in a two-parent family) to provide primary care during the first two years of a child/ren's life/lives.

The YWCA recognises that there are a range of family formations and that each family has its own unique needs. In thinking through this question in particular we have found it helpful to think of PPL as newborn family leave. This has helped us to more easily accommodate the diversity of family structures, for example: same-sex parents, single parents, heterosexual parents, grandparental/aunt/uncle involvement, or to respond to families where a child with a disability is born or adopted, or where there are multiple births. The YWCA believes that each family should be supported in its parenting roles, and that leave arrangements should have a range of flexible options that can be accessed as appropriate to each family.



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

15. Is there a case for a different period of leave for parents of children in different circumstances (such as children born with a disability)?

We have no specific expertise on the issue of children born with disability or in the situation of multiple births and so offer no particular recommendations. However, as mentioned above, the YWCA supports models which allow for flexibility, and for leave to be shared between carers of newborns.

16. Should government contribute to the funding of the paid parental leave scheme? Should employers and/or employees contribute? If the cost were to be shared among employees, employers and the government, what basis should be used to calculate each groups contribution?

In the view of the YWCA it is a fundamental responsibility of government to contribute to the funding of a PPL scheme. However, we also understand that PPL is a cost of business, and so support a compulsory employer contribution, to be provisioned for on an employer-by-employer basis. In our view the government should contribute 9 months of PPL at the level of the minimum wage. Employers should be mandated to provide between 75-80% of current wage income replacement, and there should be a voluntary contribution to achieve full current wage income replacement.

17. If a scheme were to rely at least partly on direct employer funding, what mechanisms could protect worker entitlements in the event of insolvency?

In the view of the YWCA PPL is a non-vesting leave entitlement. Thus, in the event of insolvency, workers with a realisable entitlement (ie, they have a need to take PPL or are already on PPL) should access the same level of protection afforded to other leave entitlements.

18. How would any national scheme interact with existing privately funded schemes?

The model being advocated by the YWCA enables a smooth transition between existing privately funded schemes and taxpayer support for a minimum wage payment for a nine-month period. Employers currently providing PPL would be required to make contributions to the level of 75-80% of current income, and would be encouraged to allocate existing PPL funds to voluntary contributions that would achieve 100% current income replacement. In instances where budget provisions exceeded these amounts, employers would be encouraged to offer PPL for periods of greater than 9 months or to explore other support for carers of newborns (for example, on-site childcare or subsidy of childcare costs).

19. If employees and/or employers contribute to the scheme, is a pooled funding arrangement desirable?

In our view provisioning for PPL should be an individual employer responsibility. Thus, a pooled funding arrangement is not desirable.



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

20. Should all employees who would be eligible under a national paid parental leave scheme also be accorded the right to return to their previous job? What are the costs and benefits of mandating this requirement?

Given our focus on a flexible PPL scheme, the YWCA supports a right to return to work for employees eligible for PPL. In our experience as an employer, a return to the same position is not always possible, or the outcome the employee seeks, however, we offer a right to return to a similar job with the same number of hours. Moreover, we are amenable to varied return to work practices, with reduced hours/job share arrangements, breastfeeding breaks and other mechanisms to support carers of newborns resuming workforce participation. In our experience there are a range of factors that need to be addressed in enabling flexible return to work practices, but the benefits associated with retaining employees outweigh the challenges.

21. Should this requirement be the same in all circumstances? Should there be exceptions for particular types of jobs or particular types of employers (such as very small employers?)

Given the high proportion of women employed in small business the YWCA does not support exemptions for particular types of employers.

22. Should the rights accorded to the employee be different according to whether the period of paid leave is funded by the employer or the taxpayer?

Beyond the immediately realisable nature of PPL attached to the government funded component of the PPL, the YWCA does not support different funders resulting in different rights.

23. To what extent (and why) would an increase in the availability and duration of paid parental leave significantly alter the quality of infant care and outcomes for the child?

We have already addressed the benefits of exclusive breastfeeding for a minimum period of 6 months, as recommended by the WHO. There are additional benefits to making it possible for parents to spend more time with their child after birth. There has been increasing recognition that a child's development in the first few years of life sets the foundation for lifelong learning, behaviour and health. The quality of children's experience in the first three years of their lives can have an impact on the wiring and sculpting of the brain's billions of neurons, and this lasts a lifetime.¹ Early experiences affect physical and social development, the ability to learn, and the capacity to regulate emotions through the stimulation of the sensing pathways. Thus, nurturing and a good quality of care at the early stages of a child's life, such as a mother breastfeeding her baby, or a father/aunt/grandparent reading to their toddler on their lap, positively affect brain development.

24. To what extent would the introduction of a paid parental leave scheme assist mothers in establishing and maintaining breastfeeding routines, and with what benefits?

As outlined previously, a key objective of a paid parental scheme is to support child welfare. The evidence regarding the benefit of breastfeeding children for those women who are able to establish breastfeeding is overwhelming, including quicker recovery from birth and a reduced risk of breast cancer before menopause for the mother, increased resistance to infection and disease for the child,



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

as well as higher IQ's and a reduced likelihood of being overweight in childhood and adolescence. There is little doubt that a scheme that supported parents to spend the early months with their children would greatly enhance the opportunities to establish and maintain breastfeeding routines. It should be noted however, that this is only one of a number of strategies that should be introduced to better support breastfeeding. Workplaces in particular need to be encouraged to support this through the provision of appropriate facilities and realisation of breastfeeding breaks for women who have returned to the workforce while breastfeeding. In addition, there needs to be recognition that some women are unable to establish breastfeeding and the choices of women and families need to be respected.

25. What are the key impacts of parental, as opposed to non-parental, care on the health and development outcomes for children?

There is a recognition of the benefits of care of a very young child by immediate family members. A key component of a successful PPL scheme is recognition of the diversity of current family structures. As previously discussed, the YWCA supports a broad definition of family, which may in some cases include grand parents and others. A key purpose of a PPL scheme is to support the choices available to families when a new child arrives.

26. What complementary measures would reinforce the infant and parental welfare effects of paid parental care?

A range of complementary measures would reinforce the infant and parental welfare effects of PPL including

- a) Family friendly workplace practices, including
 - i. the right to return
 - ii. flexible return to work arrangements
 - iii. an increase in part-time/job share positions for men and women
 - iv. provision of breastfeeding breaks and breastfeeding facilities – both of which constitute international labour law obligations
- b) The availability of affordable, quality childcare (including increased provision of affordable on-site childcare options)
- c) Education campaigns and promotion of strategies outlined above would challenge community attitudes that 'typecast' women as the 'natural' caregiver for children, and encourage more men to be actively involved in parenting their children.

27. What factors deter fathers from taking more parental leave?

Anecdotal evidence from male employees at YWCAs (who have access to PPL) suggests that a range of factors deter fathers from taking more parental leave:

- a) There are strong cultural prohibitions on men taking PPL – found among peers and employers; a greater number of fathers need to take PPL in order to create workplace role models
- b) There are strong culturally-based myths that characterise men as emotionally inept and incompetent when it comes to caring for their children



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

- c) The gender wage gap means, in heterosexual partnerships, more often than not men earn a higher wage than women and thus the loss of income (in a non-income replacement model) is harder to manage
- d) Factors associated with breastfeeding can make it difficult to negotiate shared care responsibilities in the early months – and can contribute to the mother (where there is a breastfeeding mother in the family) having a stronger capacity to bond with the child and establish routines.

28. To what extent will any new arrangements change the period of absence from work?

In our experience as an employer the provision of PPL has had a positive impact on the period of leave carers of newborns take, with staff reporting an earlier return to work than they would have contemplated if taking unpaid leave, particularly if they are able to access other support mechanisms, such as childcare. Moreover, our staff have reported that the provision of PPL has had a very positive impact on our ability to retain them as staff at the YWCA.

29. Are there likely to be any perverse impacts on labour markets (such as unemployment risks, labour market discrimination, or erosion of parent's work skills)? Why and to what extent? What impacts might this have on longer term job prospects for individuals and the availability of skilled labour for business?

Previous responses to questions have outlined some of the perverse impacts of a PPL, particularly in relation to labour market discrimination. The YWCA is of the view that a PPL scheme will not erode parent's work skills. In our experience PPL facilitates the retention of work skills and promotes workforce re-attachment. The reality for our work force is that, one or both parents are out of the workforce for a period of time following the birth/adoption of a child/children. The operation of a PPL scheme has, in our experience, provided a much easier re-entry into the workforce; our policies support staff on PPL being able to access ongoing staff development and training opportunities on a voluntary basis (the YWCA also provides some level of support for childcare arrangements in this circumstance).

30. What would be the behaviour of those employers that already offer paid parental leave? How would this affect wages, the leave they offer, and their employment practices generally?

Our answer to this question is based on our experience as an employer. If the Government were to introduce a partially or fully funded PPL scheme, YWCAs would continue to strive to offer better conditions than those generally available in the workforce. This is because we understand the provision of PPL both as a cost of business and also a mechanism for the recruitment and retention of our employees.

31. What affects current decisions by businesses about whether to offer paid parental leave to their employees and the eligibility conditions that they set (mothers only, exclusion of casuals etc).

As discussed in previous questions, the provision of PPL by the YWCA is driven by a number of factors. These include the view that PPL is a cost of business, that PPL constitutes a reasonable



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

430 and necessary form of leave, that PPL contributes to the recruitment and retention of our employees,
that PPL contributes to our standing as an employer of choice for carers of newborns, and that PPL
will contribute to the achievement of one of our key advocacy priorities – achieving economic
security for women.

These views inform the operation of PPL schemes within YWCAs and guide our approach towards
435 eligibility. For example,

- a) Our commitment to responding to the diversity of family structures in Australia means that
YWCA's have broad definitions of a family unit for the purposes of PPL; we have also found it
helpful to conceptualise PPL as newborn family leave
- 440 b) Our commitment to achieving women's economic security means that we have minimal
eligibility criteria; a taxpayer funded scheme would also increase our incentive to provide PPL to
casual employees, although we currently use the provision of PPL as a mechanism to
encourage staff to move from casual to permanent, which also contributes to our broader
objective of achieving women's economic security
- 445 c) Our commitment to enabling women and men to take on significant caring responsibilities
means that we do not restrict PPL to mothers only (we do however remain committed to a
period of PML for birth mothers to enable their recovery).

32. What would be the direct impacts on business of meeting the direct and indirect costs of paid parental leave? How would these effects vary across firms and sectors, and over time? In particular what are the impacts on small businesses?

450 In the view of the YWCA PPL is a cost of modern business. A scheme which is co-funded by the
government will diminish the direct costs to business, though there will be budget impacts
associated with the 75-80% mandated employer contribution.

In our experience of provisioning for PPL the administrative impacts are minimal. This is largely
because, as employers, we already have experience in provisioning for other forms of leave (for
455 example, annual leave, long-service leave, personal leave). In our experience, while there are
sophisticated models to assist business to identify the direct and indirect costs of PPL, these models
in fact over estimate the direct costs to business. Moreover, the costs of *not implementing* PPL
(most particularly, the impact of staff losses) have not been factored into current modelling, and we
consider this to be a significant limitation to businesses understanding the benefits attaching to PPL.

33. What would be the positive impacts – would paid parental leave improve staff retention and productivity? If so, how big is this effect, and which industries are likely to benefit most?

Previous responses have explored the positive impacts of a PPL scheme. In our experience these
schemes improve staff retention, create loyalty and improve productivity. Our experience leads us
465 to state that the provision of PPL is a sound business decision, with solid returns on investment. In
the short-term, the staff retention and productivity gains are most likely to coalesce in industries
which have a high proportion of female employees, as social mores dictate that women are more
likely to be the primary care giver. However, as PPL schemes are introduced, and men are



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

encouraged to have a more active role in caring labour at home, all industries will realise these gains.

34. Are there ways of implementing any changes to alleviate any adverse impacts?

In the view of the YWCA, a mixed funding model, with government contributions and mandated employer contributions, provides a strong mechanism to alleviate adverse impacts associated with discrimination, costs to business (which we reiterate, in our experience, average out as less than modelled costs).

Adverse impacts would also be alleviated by effective education campaigns. Campaigns would need to target a range of stakeholders, including employers (to advise them of the benefits of providing PPL – for example, increased staff retention and associated knowledge gains; recruitment advantages of being named as an employer of choice; costs to business associated with losing staff; penalties associated with discriminatory practices) and employees (to ensure they understood the range of options open to them; advise them of the relevant anti-discrimination provisions).

While not an adverse impact, a PPL, particularly one which strives to implement the four objectives identified by the YWCA, challenges economic and social understandings of the values associated with caring labour. A comprehensive education campaign, which encourages parents to be more equally engaged in the caring work of raising a family, is an essential component to the successful introduction of a PPL scheme which men and women access in equal numbers.

35. How, and to what extent, will paid parental leave arrangements interact with social security and other government payments, and which areas will be most affected? What implications does this have for the design of a paid parental leave scheme and for the relevant social security schemes?

The YWCA conceptualises the provision of paid parental leave as an employee leave entitlement. To that end there are no direct implications of the scheme on social security payments.

Nonetheless, it would be prudent for the Government to review a range of social security payments (and the taxation system) to consider *in toto* the interaction of family benefits, (the taxation system) and paid parental leave. In this respect, the YWCA particularly draws attention to our third objective in a paid parental leave scheme – realising family welfare. In particular we note the intention of supporting family units to challenge the model of a full-time stay at home parent (most commonly the mother in the heterosexual family unit) and a full-time go to work parent (most commonly the father in the heterosexual family unit). The YWCA is committed to advocating for family units that can maximise the time *both* parents have with the child/children, and seeks a taxation, welfare and industrial framework which supports families to have both parents actively engaged in care giving in the early childhood years.

The YWCA is also of the view that the Government should review the interaction of a paid parental leave scheme and relevant social security schemes from the perspective of ensuring that recipients of social security do not receive a lesser recompense for their parenting work than workforce attached peers. Thus, under our scheme, where we propose a minimum wage contribution from the



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

Government, social security payments for parenting should match the minimum wage payment under a paid parental leave scheme.

Submission to the Productivity Commission Inquiry: Appendix A, Overview of International Legal Framework

- 510 Taken collectively, the international human rights and labour law framework requires states parties
to take the following five steps:
1. Prohibition of pregnancy-based discrimination in preparing for work, entering into work,
participating in work, advancing at work (CEDAW and ILO Maternity Leave Convention;
 - 515 2. Provision of paid maternity leave, for a period not less than 18 weeks (ICESCR, CEDAW
and ILO Maternity Leave Convention for provision of paid maternity leave; ILO Maternity
Leave Convention, Recommendation 191 for timeframe)
 3. Enactment of terms and conditions which reflect the needs of workers with family
responsibilities, including the prohibition of maternity-based discrimination (CEDAW, ILO
520 Maternity Leave Convention [breast feeding breaks], ILO Workers with Family
Responsibilities Convention) and prohibition of family responsibilities being grounds for
dismissal (ILO Workers with Family Responsibilities Convention and CEDAW)
 4. The promotion, development or provision of child and family care by public or private means
(CEDAW and ILO Workers with Family Responsibilities Convention)
 - 525 5. Education to challenge social, economic and cultural values on family responsibilities and
the function of maternity (CEDAW and ILO Workers with Family Responsibilities
Convention).

Australia's reservation to CEDAW and the decision not to ratify the ILO Maternity Leave Convention
diminishes the obligations to provide PML. However, the ICESCR contains an explicit obligation to
530 provide paid maternity leave and there is no reservation to this obligation.

Submission to the Productivity Commission Inquiry: Appendix B, Excerpts from qualitative data collected for submission

Data sources

The YWCA submission has been informed by three data sources:

- A three-week, on-line survey. Appendix C draws together the quantitative responses, this appendix puts forward some of the qualitative responses.
- Responses from participants in the YWCA of Adelaide Policy Platform process. 125 women attended a range of consultations, 70% of them were aged between 12 and 30.

As identified in question one, YWCA has identified four objectives for a PPL scheme. We have used these objectives to organise the presentation of raw data in this appendix.

Objective One: Achieving maternal welfare outcomes – the views of participants in the survey and consultations

A participant from the Policy Platform consultations who lives in regional South Australia – 80 kilometres south of Adelaide – provided the following information. She was not entitled to any paid parental leave and at the time her first child was born, the baby bonus had not been introduced. She returned to work when her first child was three weeks old, she says “to be able to pay for my mortgage”. When her second child was born, the baby bonus and money she had saved meant she returned to work when her second child was four months old. She says she had no choice but to return to work and that childcare costs compounded their financial situation but she says “we had to do what we could to keep our house”. She goes on to say: “I was a breast feeding mother, so when I returned to work, I spent my breaks expressing milk and going to the childcare centre to feed my baby leaving me with no break time to myself. I also had to get up at night to express to ensure she had enough food to last her through the day. This was a huge physical and emotional toll, I am a social worker and with my draining job, I was also sleep deprived to care for my baby.”

Objective Two: Achieving child welfare outcomes – the views of participants in the survey and consultations

Verbatim extracts from on-line survey

- “A minimum of 6 months to support exclusive breastfeeding in those months.”
- “12 months, or if at the very least 6-9 months, especially as far as breastfeeding is concerned.”

Objective Three: Achieving family welfare outcomes – the views of participants in the survey and consultations

Verbatim extracts from on-line survey

- “Paid maternity, paternity, parental leave recognises the necessity and importance for establishing early child hood contact and rearing patterns and reduces potential parental financial hardship. It is necessary for a mother to be able to be with her new born child full time in order to be there and to establish breast feeding patterns or if it was male parent looking after child paid paternity would allow this parent the financial support to establish important bonding and communication mechanisms. A baby bonus does not represent the actual time, or time off work that is need to look after a new born baby.”



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

- *"The emphasis must be on parental leave – for men as well as women to be involved and 'there'."*
- *"Women can't do it all. We can't. Men are still not doing their share. It has to be equal. My two daughters do it with their partners – they share everything. And it works. It really works."*
- *On the question of: What do you believe is the ideal time to spend with a child when you have or adopt a child, before returning to or entering the paid workforce if you choose to return to or enter work?, there were almost 400 answers provided.*
 - *This attracted a range of responses generally in the time frame from six months to five years.*
 - *Most people commented on the need for flexibility and the need to acknowledge diverse family formations*
 - *"As much as possible - at least 6 months, preferably a year. Or as much as the parents feel comfortable with. If paid leave for both parents is available, mum could stay home for a bit, and then dad has a turn!"*
 - *"Clearly there is no 'ideal time' but it is a matter for each family to decide"*
 - *"I would like to see fathers more involved with children from the beginning, so support paternity leave. I would also like to see the topic of single parents, and lesbian and gay parents addressed fairly and unequivocally"*
 - *"I returned to work when my child was 7 months old. I think this was too early, although my work place and family have been very supportive, however I did it for financial reasons. I believe 9 to 12 months is the ideal."*
 - *"Ideally two years full time but recognising both the need of many parents for paid work and the need of the economy to retain skilled workers, probably 12-18 months."*
 - *"I believe that a parent should be able to spend time with the child at any time they want (ie. should be able to be a stay at home parent) until the child reaches mid-late primary school. In my experience, a parent being able to make their child their primary focus in their formative years generally produces better outcomes."*
 - *"The first five years of your child's life is when all the blueprints are formed from parental / family love and guidance. I am positive that many more parents would choose to stay at home with their children for longer rather than returning to work but they are just not financially able to."*
 - *"Parenting is one of the most important jobs in our society, if not the most important and it is currently very undervalued. I think paid parental leave is an appropriate way to acknowledge people who choose to step out of the workforce to care for a baby and I think it should be offered as a flexible package that allows either parent to play this role or for it to be shared by both."*

Views from a policy platform consultation participant from regional South Australia

On the question of whether her partner took time off, she said that her husband would have loved time off, but that they could not afford it.

On the question of whether she would have liked to wait longer before returning to work, and what the benefits would have been, she says: "I believe that if I had more time at home, I would not have had so much physical and emotional strain. I have missed the opportunity to stay at home with my babies."



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

She says she would have taken more time off if her family could have afforded it. She says that six months paid leave would be sufficient.

She returned to the same employer and she says they were very supportive and would have loved to have given her paid time off, however, she says: "working for not for profit community organizations, there is no allowance for this".

The sort of paid parental scheme that would help her most in balancing work and family goals would be: "six months paid maternity leave, then scope for part-time employment for a further six months".

Reflections from Chelsea Lewis, YWCA of Adelaide Policy Officer

I have submitted a personal submission to the Commission and it is listed on your website. My daughter was born in March 2006. I was self-employed at the time and my partner was working as a casual in the low paid aged care sector. Between us, we didn't have one day of paid leave of any kind. Our daughter was born on Friday night and my partner was back at work on the Monday. My mum drove my baby and I home from the hospital on Monday night. My partner didn't even get to bring his own child home. I resumed by work when my baby was three weeks old. I say in my submission that if we could have afforded it, I would not have done any paid work until she was at least six months old, and that my partner would have had three months off work and then returned to part time work. I have answered all of the questions in detail in the personal submission that I have already submitted.

Objective Four: Achieving economic and social outcomes – the views of participants in the survey and consultations

"The only reason I haven't had a baby yet is because we don't have paid maternity leave. It is getting close to the point where it might almost be too late for me."

"You can't be in senior management and work part time."

"I think an equally important issue is ongoing flexibility of work arrangements on return to work and quality child care options"

"Children are the most important thing. Support at the earliest stages of life are stitches in time."

On the question of "what do you believe is the difference between the baby bonus and paid maternity, paternity and parental leave?", there were more than 350 comments made. Some of the comments have been integrated into sections above.

- Many people commented on the one-off financial bonus which does not last, compared to ongoing financial support which supports budgeting, and ongoing expenses.
- Some particular comments from respondents included:
 - "baby bonus is in the league of a gimmick and is patronizing. Paid maternity leave is a genuine acknowledgement of how seriously we take the wellbeing of children and



Submission to the Productivity Commission Inquiry: Paid Maternity Leave, Paternity and Parental Leave

parents, and value the work and care involved in raising children to be healthy members of society”

- “PPL allows you to stay connected to your employer and gives the flexibility to spend more critical time with your baby”
- “Better link to women remaining in the workforce and building a career path. better for whole family.”
- “paid maternity leave would mean I would have a job to return to!”

A couple of great comments we wanted to share

- “If men had babies we'd have paid parental leave already”
- “It's too late for me - my family have had no on-going financial help however bring it on for those who follow!”